



JENNIFER M. GRANHOLM
GOVERNOR

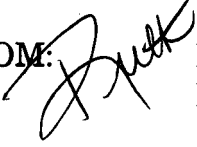
STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

ROBERT L. EMERSON
DIRECTOR

September 30, 2008

MEMORANDUM

TO: Finance, Administrative, and Human Resource Officers
All State Agencies

FROM:  Ruth Duquette, Director
Payroll and Tax Reporting Division
Office of Financial Management

SUBJECT: 2009 Contribution Rates for Retirement

The attached table has been updated to reflect retirement rates that will be effective for fiscal year 2009. These changes will be effective with the October 16, 2008 pay date and are summarized below.

| Retirement Code | Current Rate | Revised Rate |
|---------------------|--------------|--------------|
| RE01 | 25.05% | 35.47% |
| RE02/17 | 43.92% | 54.41% |
| RE04 | 20.07% | 30.64% |
| RE26 | 31.93% | 40.24% |
| DC Health Insurance | 1.35% | 11.80% |

Please refer any questions regarding this memo to Amy Rice, Office of Financial Management, Payroll and Tax Reporting Division at (517) 241-0832.

Attachment

cc w/att: N. Duncan T. Hall – OSE J. Winters – CSC
M. Moody D. Pintacura
L. Mester OSB Directors
D. Quigley PTR Staff
R. Foss J. Paxton
P. Stoddard – ORS J. Hallitt

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
September 21, 2008

| Rtmt. Code | Calendar Yr. Earnings | Employee Share | | | | State Share | | | |
|---------------|--------------------------|--------------------|----------|------------|--------|--------------------|----------|------------|--------|
| | | Social Security | Medicare | Retirement | Total | Social Security | Medicare | Retirement | Total |
| 01 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 35.47% | 43.12% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 35.47% | 36.92% |
| 02 | All | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 54.41% | 54.41% |
| 03 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 04 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 30.64% | 38.29% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 30.64% | 32.09% |
| 05 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 06 | All | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 07 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 08 | \$0 - \$102,000 | 6.20% | 1.45% | 3.50% | 11.15% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 3.50% | 4.95% | 0.00% | 1.45% | 0.00% | 1.45% |
| 09 | \$0 - \$102,000 | 6.20% | 1.45% | 9.00% | 16.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 9.00% | 10.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 10 | \$0 - \$102,000 | 6.20% | 1.45% | 1.50% | 9.15% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 1.50% | 2.95% | 0.00% | 1.45% | 0.00% | 1.45% |
| 11 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% |

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
September 21, 2008

| Rtmt. Code | Calendar Yr. Earnings | Employee Share | | | | State Share | | | |
|---------------|--------------------------|--------------------|----------|------------|--------|--------------------|----------|------------|--------|
| | | Social Security | Medicare | Retirement | Total | Social Security | Medicare | Retirement | Total |
| 12 | \$0 - \$102,000 | 6.20% | 1.45% | 5.00% | 12.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 5.00% | 6.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 13 | \$0 - \$102,000 | 6.20% | 1.45% | 3.58% | 11.23% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 3.58% | 5.03% | 0.00% | 1.45% | 0.00% | 1.45% |
| 14 | \$0 - \$102,000 | 6.20% | 1.45% | 8.36% | 16.81% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 8.36% | 9.81% | 0.00% | 1.45% | 0.00% | 1.45% |
| 15 | \$0 - \$102,000 | 6.20% | 1.45% | 8.38% | 16.03% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 8.38% | 9.83% | 0.00% | 1.45% | 0.00% | 1.45% |
| 16 | \$0 - \$102,000 | 6.20% | 1.45% | 3.59% | 11.24% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 3.59% | 5.04% | 0.00% | 1.45% | 0.00% | 1.45% |
| 17 | All | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 54.41% | 55.86% |
| 18 | All | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 19 | All | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 20 | All | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 22 | All | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 23 | All | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 24 | \$0 - \$102,000 | 6.20% | 1.45% | 5.23% | 12.88% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 5.23% | 6.68% | 0.00% | 1.45% | 0.00% | 1.45% |
| 25 | \$0 - \$102,000 | 6.20% | 1.45% | 3.00% | 10.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | \$4,200 - \$102,000 | 6.20% | 1.45% | 5.00% | 12.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 5.00% | 6.45% | 0.00% | 1.45% | 0.00% | 1.45% |

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
September 21, 2008

| Rtmt. Code | Calendar Yr. Earnings | Employee Share | | | | State Share | | | |
|---------------|--------------------------|--------------------|----------|---------------------|------------------------|--------------------|----------|---------------------|------------------------|
| | | Social Security | Medicare | Retirement | Total | Social Security | Medicare | Retirement | Total |
| 26 | \$0 - \$102,000 | 6.20% | 1.45% | 0.00% | 7.65% | 6.20% | 1.45% | 40.24% | 47.89% |
| | Over \$102,000 | 0.00% | 1.45% | 0.00% | 1.45% | 0.00% | 1.45% | 40.24% | 41.69% |
| 27 | \$0 - \$102,000 | 6.20% | 1.45% | 7.00% | 14.65% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 7.00% | 8.45% | 0.00% | 1.45% | 0.00% | 1.45% |
| 30 | \$0 - \$102,000 | 6.20% | 1.45% | 13.50% | 21.15% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 13.50% | 14.95% | 0.00% | 1.45% | 0.00% | 1.45% |
| 31 | \$0 - \$102,000 | 6.20 | 1.45% | 10.46% | 18.11% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 10.46% | 11.91% | 0.00% | 1.45% | 0.00% | 1.45% |
| 32 | \$0 - \$102,000 | 6.20 | 1.45% | 10.40% | 18.05% | 6.20% | 1.45% | 0.00% | 7.65% |
| | Over \$102,000 | 0.00% | 1.45% | 10.40% | 11.85% | 0.00% | 1.45% | 0.00% | 1.45% |
| 40 | \$0 - \$102,000 | 6.20% | 1.45% | Varies ¹ | Varies 7.65%-10.65% | 6.20% | 1.45% | Varies ² | Varies 23.45-26.45% |
| | Over \$102,000 | 0.00% | 1.45% | 0-3% | | 0.00% | 1.45% | 15.80%-18.80% | 17.25-20.25% |
| 50 | \$0 - \$102,000 | 6.20% | 1.45% | Varies ¹ | Varies 7.65%-10.65% | 6.20% | 1.45% | Varies ³ | Varies 11.65-14.65% |
| | Over \$102,000 | 0.00% | 1.45% | 0-3% | | 0.00% | 1.45% | 4-7% | 5.45-8.45% |
| 52 | \$0 - \$102,000 | 6.20% | 1.45% | Varies ¹ | Varies 9.65%-12.65% | 6.20% | 1.45% | Varies ³ | Varies 11.65-14.65% |
| | Over \$102,000 | 0.00% | 1.45% | 2-5% | | 0.00% | 1.45% | 4-7% | 5.45-8.45% |
| 60 | \$0 - \$102,000 | 6.20% | 1.45% | Varies ¹ | Varies 7.65%-10.65% | 6.20% | 1.45% | Varies ³ | Varies 11.65-14.65% |
| | Over \$102,000 | 0.00% | 1.45% | 0-3% | | 0.00% | 1.45% | 4-7% | 5.45-8.45% |

¹ Code DZ40, DJ40 or DR40 varies from 0.00% to 3.00%, depending on employee election.

² Includes mandatory state share (DZ4S) (4%⁴), state match of optional employee share (DZ40, DR40) (0.00% to 3.00%), and state share for post-retirement health insurance benefits (RE40) (11.80%).

³ The contribution for codes DZ4S & DJ4S is 4.0%⁴. The contribution for codes DZ40, DJ40 or DR40 varies from 0.00% to 3.0%.

⁴ The 4.0% is comprised of cash expenditures of 3.92% (Deduction Codes YD40 & YJ40) and use of forfeiture account balances of 0.08% (YD41 & YJ41). No expenditure is incurred for forfeiture amounts.